

ORIGINAL



0000174097

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS Arizona Corporation Commission

DOCKETED

DOUG LITTLE – Chairman

BOB STUMP

BOB BURNS

TOM FORESE

ANDY TOBIN

OCT 20 2016

DOCKETED BY

RECEIVED

AZ CORP COM

DOCKET CONT

2016 OCT 20 PM 12 00

IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC.,
FOR AN INCREASE IN WASTEWATER RATES.

DOCKET NO. WS-01689A-16-0184

IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY CO., INC., FOR AN
INCREASE IN WATER RATES.

DOCKET NO. W-01689A-16-0187

IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC., FOR
AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. WS-01689A-16-0287

IN THE MATTER OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC., FOR
AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-01689A-16-0288

PROCEDURAL ORDER
(Setting Hearing and Granting
Intervention)

BY THE COMMISSION:

On June 9, 2016, in Docket No. WS-01689A-16-0184, Clear Springs Utility Company, Inc. ("Clear Springs" or Company") filed an application with the Arizona Corporation Commission ("Commission") for an increase in wastewater rates.

On June 10, 2016, in Docket No. W-01689A-16-0187, Clear Springs filed an application with the Commission for an increase in water rates.

On July 8, 2016, in Docket No. WS-01689A-16-0184, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency stating that the wastewater rate application met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103, and classifying Clear Springs' wastewater division as a Class E Utility.

On July 8, 2016, in Docket No. W-01689A-16-0187, Staff filed a Letter of Sufficiency stating that the water rate application, met the sufficiency requirements outlined in A.A.C. R14-2-103, and classifying Clear Springs' water division as a Class D Utility.

On August 2, 2016, Clear Springs filed a Request for a Status Conference.

A Status Conference was held on August 8, 2016. During the conference, the Company related that it planned to file finance applications for both the water and wastewater divisions. The parties agreed that it would be beneficial to consolidate the rate and finance applications. The Company also stated that it preferred to have a hearing on the applications. The parties agreed that they would collaborate to establish a recommend procedural schedule and would docket the schedule when complete.

On August 19, 2016, in Docket Nos. WS-01689A-16-0287 and W-01689A-16-0288, Clear Springs filed finance applications with the Commission for improvements to its wastewater and water systems.

On August 24, 2016, in Docket Nos. WS-01689A-16-0287 and W-01689A-16-0288, Clear Springs filed amended wastewater and water division finance applications.

On August 29, 2016, in Docket Nos. WS-01689A-16-0184, W-01689A-16-0187, WS-01689A-16-0287, and W-01689A-16-0288, Clear Springs filed a Motion for Consolidation of the four dockets because they are interrelated since they address the finances and utility system improvements of the divisions of the same utility.

On October 7, 2016, Clear Springs filed Motions for a Proposed Scheduling Order in each of the dockets.

On October 13, 2016, a Procedural Order was issued consolidating the four dockets.

In the time since the applications were docketed, a number of customers filed letter requesting intervention in this matter. The Commission's Consumer Services Section contacted these individuals to ask whether they wanted to intervene or simply to comment on the applications. Four customers indicated that they wanted to intervene – Ellen Clugston, Camme Carlson-Watkins, Kathleen Brauckle, and Charles Bushey. All are Clear Springs customers and it is reasonable to grant intervention.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in this matter shall be held on **January 24, 2017, at 10:00 a.m.**, or as soon thereafter as is practicable, at the Commission's offices, Room 222,

400 West Congress Street, Tucson, Arizona 85701.

IT IS THEREFORE ORDERED that **intervention is granted to Ellen Clugston, Camme Carlson-Watkins, Kathleen Brauckle, and Charles Bushey.**

IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105, except that **all other motions to intervene must be filed on or before November 16, 2016.**

IT IS FURTHER ORDERED that **objections to any Motions to Intervene** must be filed on or before **November 25, 2016.**

IT IS FURTHER ORDERED that **Staff and Intervenors' direct testimony** and associated exhibits to be presented at the hearing shall be filed on or before **December 2, 2016.**

IT IS FURTHER ORDERED that **Clear Springs' rebuttal testimony** shall be filed on or before **December 20, 2016.**

IT IS FURTHER ORDERED that **Staff and Intervenors' surrebuttal testimony** shall be filed on or before **January 13, 2016.**

IT IS FURTHER ORDERED that the **time clock** in this matter is extended to **March 31, 2017.**

IT IS FURTHER ORDERED that Clear Springs shall provide public notice of the hearing in this matter, in the following form and style, with the heading in no less than 12-point bold type and the body in no less than 10-point regular type:

**PUBLIC NOTICE OF THE APPLICATION OF
CLEAR SPRINGS UTILITY COMPANY, INC. FOR
RATE INCREASES AND AUTHORITY TO INCUR LONG-TERM DEBT
Docket Nos. WS-01689A-16-0184, W-01689A-16-0187,
WS-01689A-16-0287, and W-01689A-16-0288.**

On June 9, 2016, Clear Springs Utility Company, Inc. ("Company") filed an application with the Commission for a rate increase in its wastewater rates in Docket No. WS-01689A-16-0184. The Company seeks an increase in revenues for its Wastewater Division of approximately \$40,000 per year. Under the Company's proposal, the average residential wastewater customer may expect an increase of \$10.22, from \$9.00 to \$19.22. This base amount is exclusive of any surcharges, taxes, or fees currently being charged by the Company.

On June 10, 2016, the Company filed an application with the Commission for a rate increase in water rates in Docket No. WS-01689A-16-0187. The Company seeks an increase in revenues for its Water Division of approximately \$120,000 per year. Under the Company's proposal, the average residential water customer on a 5/8 x 3/4-inch meter may expect an increase of \$17.23, from \$16.88 to \$34.10. This base amount is exclusive of any surcharges, taxes, or fees currently being charged by the Company.

On August 19, 2016, the Company filed an application with the Commission for an order authorizing the Company to obtain a \$586,000 loan for the purpose of financing wastewater system upgrades and improvements in Docket No. WS-01689A-16-0287.

On August 19, 2016, the Company filed an application with the Commission for an order authorizing the Company to obtain a \$543,000 loan for the purpose of financing water system upgrades and improvements in Docket No. WS-01689A-16-0288.

On October 13, 2016, the Commission consolidated the four dockets.

The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the applications and has not yet made recommendations regarding the Company's applications. The Commission is not bound by the proposals made by the Company, Staff, or Intervenors. The Commission will issue a decision regarding the Company's applications following consideration of testimony and evidence presented at an evidentiary hearing.

How You Can View or Obtain a Copy of the Applications

Copies of the applications are available at the Company's offices [INSERT ADDRESS], and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, and at 400 West Congress, Suite 218, Tucson, Arizona, and on the internet via the Commission website (www.azcc.gov/) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **January 24, 2017, at 10:00 a.m.**, at the Commission's Tucson offices, Room 222, 400 West Congress Street, Tucson, Arizona 85701.

Public comments will be taken at the beginning of the hearing. Written public comments may be submitted by mailing a letter referencing **Docket Nos. WS-01689A-16-0184, W-01689A-16-0187, WS-01689A-16-0287, and/or W-01689A-16-0288** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. **However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.**

To request intervention, you **MUST** file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later than November 16, 2016**. **You also must serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.** Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket Nos. WS-01689A-16-0184, W-01689A-16-0187, WS-01689A-16-0287, and W-01689A-16-0288;**
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the utility, a shareholder of the utility, etc.),
 - b. How you will be directly and substantially affected by the outcome of the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on the utility or its attorney and all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, 39, and 42, and A.R.S. § 40-243 as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **November 16, 2016**. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

If you do not intervene in this proceeding, you will not receive further notice of the proceedings in this docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website www.azcc.gov using the e-Docket function. RSS feeds are also available through e-Docket.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall **mail to each customer** a copy of the above notice and shall cause the above notice to be **published in a newspaper of general circulation in the service area**, with publication and mailing to be completed no later than **November 1, 2016**.

IT IS FURTHER ORDERED that the Association shall **file certification of mailing and publication** no later than **November 18, 2016**.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural Order Regarding Consent to Email Service** issued in this matter on **October 13, 2016**, for additional information regarding the process to consent to service by email. Information regarding Consent to


1 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "Email
2 Service Consent."

3 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
4 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

5 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
6 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
7 in this matter is final and non-appealable.

8 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or
9 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
10 hearing.

11 DATED this 20th day of October, 2016.

12
13 
14 _____
15 BELINDA A. MARTIN
16 ADMINISTRATIVE LAW JUDGE
17
18
19
20
21
22
23
24
25
26
27
28

On this 20th day of October, 2016, the foregoing document was filed with Docket Control as a Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Steve Wene
MOYES SELLERS & HENDRICKS, LTD
1850 N. Central Ave, 1100
Phoenix, Arizona 85004
Attorney for Clear Springs Utility Company, Inc.

Ellen Clugston
1111 East Christmas Tree Lane
Pearce, AZ 85625

Camme Carlson-Watkins
324 North Flynn Jans Court
Pearce, AZ 85625

Kathleen Brauckle
917 East Saguaro Drive
Pearce, AZ 85625

Charles Bushey
318 North Sage Street
Pearce, AZ 85625

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007
Attorneys for Utilities Division
JAlward@azcc.gov
TBroderick@azcc.gov
Consented to Service by Email

COASH & COASH, INC.
Court Reporting, Video and Videoconferencing
1802 North 7th Street
Phoenix, AZ 85006

By: RTallman
Rebecca Tallman
Assistant to Belinda A. Martin